

House File 2295 - Introduced

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A BILL FOR

- 1 An Act providing a property tax exemption for land used to
- 2 produce food within the limits of a city.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 427.1, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 25. *Urban farm.* Property certified as an
4 urban farm by a city in compliance with this subsection.

5 *a.* The city council must adopt an ordinance providing for
6 terms and conditions of the exemption.

7 *b.* The property must be owned by a nonprofit entity as
8 defined in section 501(c)(3) of the Internal Revenue Code or
9 must be leased by another person to such a nonprofit entity.
10 The lease must be for at least five consecutive assessment
11 years. The lease may be made on a cash rent basis or crop-share
12 basis. A lease may be renewed or extended.

13 *c.* The property must be located within the corporate limits
14 of the city.

15 *d.* The nonprofit entity must use the property as an urban
16 farm to produce food suitable for human consumption. The food
17 may be further processed or packaged prior to distribution as
18 provided in this subsection.

19 *e.* The food must be distributed to a food bank or emergency
20 feeding organization recognized by the department of revenue.
21 The food bank or emergency feeding organization must distribute
22 the food within the corporate limits of the city.

23 *f.* The city must certify that the property is an urban
24 farm. The city must send a copy of the certification to
25 the appropriate assessor not later than February 1 of the
26 assessment year for which the exemption is requested. The city
27 may subsequently withdraw certification of the property if it
28 is not used as an urban farm and the assessor shall be given
29 written notice of the decertification.

30 *g.* The exemption granted under the provisions of this
31 subsection shall apply until the property is decertified or the
32 lease expires, whichever occurs earlier.

33 *h.* An ordinance adopted under this subsection may provide
34 that upon decertification, all taxes that would have been
35 levied for the period of time the exemption was in effect

1 under this subsection shall be immediately entered against
2 the property on the tax list for the current year and shall
3 constitute a lien against the property in the same manner as
4 a lien for property taxes. The tax when collected shall be
5 apportioned in the same manner provided for the apportionment
6 of the property taxes for the applicable tax year.

7 EXPLANATION

8 The inclusion of this explanation does not constitute agreement with
9 the explanation's substance by the members of the general assembly.

10 This bill provides a property tax exemption for property
11 located within a city and certified as an urban farm by a
12 city council pursuant to an ordinance. The property must be
13 owned by or leased to a nonprofit entity which must use the
14 property to produce food for distribution to a food bank or
15 emergency feeding organization recognized by the department
16 of revenue. A lease must be for at least five years and the
17 exemption applies until the lease expires or until the property
18 is decertified. A lease may be renewed or extended. The
19 ordinance may provide that upon decertification, the exemption
20 is disallowed and the amount of the property taxes must be
21 entered against the property on the tax list for the current
22 year.